

Lake County poised to lose \$350,000 in state reimbursements

NH 4-28-2011

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Lake County commissioners are concerned that the state's proposed budget is going to eliminate a source of revenue that officials for years had counted on to replace money lost from electrical deregulation and from the elimination of the tangible personal property tax.

Commissioner Daniel P. Troy said the county this year is slated to lose at least \$350,000 from the state because the proposed state budget accelerates a phase-out of the county's reimbursement from the kilowatt hour tax placed on electric bills.

Troy said the proposal calls for that tax revenue to be kept by the state instead of the counties.

Lake County received its first-half payment from the state for about \$350,000, but it is not expected to receive the second payment, county Budget Director Michael T. Matas said.

"The immediate impact is since we've passed our (2011) budget, there will be a \$350,000 hole in that budget," he said. "The problem here is nobody's taxes have

been reduced because of this reduced revenue."

Commissioners also anticipate reductions in revenues reimbursed from the state from the Commercial Activities Tax.

"This, on top of the cuts of the (state's) Local Government Fund and other things we're going to see just makes it more difficult to operate here and people need to

know that," Troy said.

The commissioner said the county's budget was fragile when it was approved in March and if these proposed changes occur, the budget will be out of balance.

Commissioner Raymond E. Sines said school districts would have been greatly affected if the state decided to keep this source of revenue rather than provide it

to schools.

"But they've been held harmless, in many cases, instead of a complete reduction, maybe 4 to 5 percent (reduction)," Sines said.

He said perhaps it was an oversight and would hopefully be fixed during the state's budgeting process so that the county and others affected can comparatively be made whole.